

**Abandoned Mine Lands Reclamation Federal Program****FY2008 Request:****\$3,525,000****Reference No:****AMD6855****AP/AL:** Appropriation**Category:** Public Protection**Location:** Statewide**House District:** Statewide**Estimated Project Dates:** 07/01/2007 - 06/30/2010**Project Type:** Health and Safety**Contact:** Nico Bus**Contact Phone:** (907)465-2406**Brief Summary and Statement of Need:**

The Legislature enacted the Alaska Surface Coal Mining Control and Reclamation Act in 1983 (AS 27.21). One of the main purposes of the act was to promote the reclamation of areas mined and left without adequate reclamation before enactment of the federal Surface Mining Control and Reclamation Act of 1977. These mined areas endanger public health and safety, substantially degrade the environment, and prevent the beneficial use of or cause damage to land and water resources. The RAMS program allows us to mitigate environmental and safety issues on non-coal sites at an accelerated pace. This program will employ up to 75 Alaskans in private sector jobs as part of the reclamation efforts.

<b>Funding:</b>	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	Total
Fed Rcpts	\$3,525,000	\$3,525,000	\$3,525,000	\$1,525,000	\$1,525,000	\$1,525,000	\$15,150,000
Total:	\$3,525,000	\$3,525,000	\$3,525,000	\$1,525,000	\$1,525,000	\$1,525,000	\$15,150,000

<input type="checkbox"/> State Match Required	<input type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input checked="" type="checkbox"/> On-Going
0% = Minimum State Match % Required		<input checked="" type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

**Operating & Maintenance Costs:**

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	0
Totals:	0	0

**Additional Information / Prior Funding History:**

SLA06/CH82 - \$3,525,000

FSSLA05/CH3 - \$1,500,000

SLA04/CH159 - \$1,500,000

SLA03/CH82 - \$1,500,000

SSLA02/CH1 - \$1,500,000

SLA01/CH61 - \$1,500,000

This amendment adds an additional \$2,025.0 in federal funds from what was originally submitted.

**Project Description/Justification:**

Funds from the AML (Abandoned Mine Land) Trust Fund through the Office of Surface Mining can only be spent for reclamation of AML sites (AS 27.21 and 11 AAC 90). The AML Program covers 100% of the cost of hazard mitigation on qualifying problem sites regardless of ownership. The AML program has thus far identified 16 coal sites and 124 non-coal sites requiring reclamation at a cost of \$42.0 million. In addition there is roughly \$48.0 million in additional coal projects not yet shown on the national database. It is estimated that Alaska will receive an additional \$52.0 million to \$64.0 million by the end of the program. The highest priority sites will be worked on first. Innovative methods of closure, more "privatization" within the program, and more effective/efficient contract management are being implemented to allow available funding to address more problem areas. The highest priority sites are those that are an extreme danger to public health and safety. The types of hazards are mine pit highwalls, open portals and shafts, dilapidated structures and equipment, dangerous

impoundments, clogged streams, dangerous mine waste piles, surface coal fires, polluted water, and industrial and residential waste. AML sites occur on private, state, native and federal lands.

The AML program has committed funding to a single large project multiple year construction contract totaling approximately \$3,220,000 to one Alaskan contractor providing employment for 50-100 Alaskans and many more indirectly in the adjacent communities. This contract will effectively utilize all available funding from the basic \$1.525 million grant for the coming fiscal year to complete contractor payments. Several private entities are promoting receipt of an additional \$2.0 million in funds for this fiscal year, which, if granted, will allow for an additional four to six projects and contracts to be let during the fiscal year. The benefit to Alaska is that public health and safety hazards on private, state, native and federal land will be reclaimed improving the quality of life in Alaska, save lives, reduce injuries and enhance land values and allow a wide variety of future beneficial uses on these sites.

In addition to the federal grant the AML program receives small amounts of money from other federal agencies for cooperative projects. This funding is less than \$50,000 annually.

As part of the CIP authorization the AML program receives roughly \$400,000 for administrative costs in its annual federal grant. These funds are authorized in the operating budget. Administrative costs are 100% federally funded.

The U.S.Army Corps of Engineers Restoration of Abandoned Mine Sites (USACE RAMS) Program is new to Alaska and allows us to mitigate both abandoned and inactive non-coal sites using funds under the Corps of Engineers umbrella. The Alaska AML Program has been working with the Alaska Delegation to get wording changes in the Water Resources Development Act (WRDA) that will move RAMS from a demonstration project to fully operational mitigation program. Funding will be dependent on the Congressional Delegation for appropriations, but we estimate it to be up to \$1,500,000 annually.

**Why is this Project Needed Now:**

Federal funding for the reclamation of AML sites is currently available to the State, but will not continue in perpetuity. The AML Trust Fund may sunset at any time after 2025. The USACE RAMS Program provides a year-to-year source of funding that allows us to mitigate more non-coal sites at a faster rate than would otherwise be the case. There are no general fund sources of funding for AML reclamation in Alaska at this time. The long term health and welfare of Alaska's residents is better served by taking advantage of these funds while they are available.

**Specific Spending Detail:**Line Item Expenditures (in thousands of dollars):

Personal Services \$332.3  
Travel \$18.0  
Services \$3,154.7  
Commodities \$20.0

**Project Support:**

Project support varies from project to project but is usually from the landowner/land manager, mineral owner, adjacent community, the construction industry and special interest groups such as environmental and historical groups. The present day mining industry also supports the AML and RAMS Program efforts to address safety issues left from past development practices as the public often erroneously equates these old sites with modern practices.

**Project Opposition:** There is no known opposition to the stated objectives of the program. The program has substantial flexibility in its hazard abatement methods and concerns can generally be overcome.